

INDIVIDUAL INCOME TAX - BRACKET ADJUSTMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: John L. Valentine

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This act modifies the Individual Income Tax Act by repealing obsolete language, making adjustments to the individual income tax brackets and amounts of tax, and making technical changes. This act has retrospective operation for taxable years beginning on or after January 1, 2001.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-10-104, as last amended by Chapter 333, Laws of Utah 1996

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-104** is amended to read:

59-10-104. Tax basis -- Rates.

~~[(1) For taxable years beginning on or after January 1, 1996, but beginning before January 1, 1997, a tax is imposed on the state taxable income, as defined in Section 59-10-112, of every resident individual as follows:]~~

~~[(a) For an individual, other than a husband and wife or head of household required to use the tax table under Subsection (1)(b), the tax under this section is imposed in accordance with the following table:]~~

~~[If the state taxable income is:]~~

~~[The tax is:]~~

~~[Less than or equal to \$750]~~

~~[2.55% of the state taxable income]~~

~~[Greater than \$750 but less than or equal~~

~~[\$19, plus 3.5% of state taxable income]~~

~~[to \$1,500]~~

~~[greater than \$750]~~

~~[Greater than \$1,500 but less than or equal]~~

~~[\$45, plus 4.4% of state taxable income]~~

~~[to \$2,250]~~

~~[greater than \$1,500]~~

~~[Greater than \$2,250 but less than or equal]~~

~~[\$78, plus 5.35% of state taxable income]~~

~~[to \$3,000]~~

~~[greater than \$2,250]~~

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| | |
|--|--|
| [Greater than \$3,000 but less than or equal [to \$3,750] | [\$119, plus 6% of state taxable income] [greater than \$3,000] |
| [Greater than \$3,750] | [\$164, plus 7% of state taxable income] [greater than \$3,750] |

~~[(b) For a husband and wife filing a single return jointly, or a head of household as defined in Section 2(b), Internal Revenue Code, filing a single return, the tax under this section is imposed in accordance with the following table:]~~

| | |
|--|---|
| [If the state taxable income is:] | [The tax is:] |
| [Less than or equal to \$1,500] | [2.55% of the state taxable income] |
| [Greater than \$1,500 but less than or equal [to \$3,000] | [\$38, plus 3.5% of state taxable income] [greater than \$1,500] |
| [Greater than \$3,000 but less than or equal [to \$4,500] | [\$91, plus 4.4% of state taxable income] [greater than \$3,000] |
| [Greater than \$4,500 but less than or equal [to \$6,000] | [\$157, plus 5.35% of state taxable income] [greater than \$4,500] |
| [Greater than \$6,000 but less than or equal [to \$7,500] | [\$237, plus 6% of state taxable income] [greater than \$6,000] |
| [Greater than \$7,500] | [\$327, plus 7% of state taxable income] [greater than \$7,500] |

~~[(2) (1) For taxable years beginning on or after January 1, [1997] 2001, a tax is imposed on the state taxable income, as defined in Section 59-10-112, of every resident individual as follows:] provided in this section.~~

~~[(a) (2) For an individual, other than a husband and wife or head of household required to use the tax table under Subsection [(2)(b)] (3), the tax under this section is imposed in accordance with the following table:~~

| | |
|--|---|
| If the state taxable income is: | The tax is: |
| Less than or equal to [\$750] <u>\$863</u> | 2.3% of the state taxable income |
| Greater than [\$750] <u>\$863</u> but less than or equal | [\$17] <u>\$20</u> , plus 3.3% of state taxable |

to [~~\$1,500~~] \$1,726
 Greater than [~~\$1,500~~] \$1,726 but less than or equal
 to [~~\$2,250~~] \$2,588
 Greater than [~~\$2,250~~] \$2,588 but less than or equal
 to [~~\$3,000~~] \$3,450
 Greater than [~~\$3,000~~] \$3,450 but less than or equal
 to [~~\$3,750~~] \$4,313
 Greater than [~~\$3,750~~] \$4,313

income greater than [~~\$750~~] \$863
~~[\$42]~~ \$48, plus 4.2% of state taxable
 income greater than [~~\$1,500~~] \$1,726
~~[\$74]~~ \$85, plus 5.2% of state taxable
 income greater than [~~\$2,250~~] \$2,588
~~[\$113]~~ \$129, plus 6% of state taxable
 income greater than [~~\$3,000~~] \$3,450
~~[\$158]~~ \$181, plus 7% of state taxable
 income greater than [~~\$3,750~~] \$4,313

~~[(b)]~~ (3) For a husband and wife filing a single return jointly, or a head of household as defined in Section 2(b), Internal Revenue Code, filing a single return, the tax under this section is imposed in accordance with the following table:

If the state taxable income is:

Less than or equal to [~~\$1,500~~] \$1,726
 Greater than [~~\$1,500~~] \$1,726 but less than or equal
 to [~~\$3,000~~] \$3,450
 Greater than [~~\$3,000~~] \$3,450 but less than or equal
 to [~~\$4,500~~] \$5,176
 Greater than [~~\$4,500~~] \$5,176 but less than or equal
 to [~~\$6,000~~] \$6,900
 Greater than [~~\$6,000~~] \$6,900 but less than or equal
 to [~~\$7,500~~] \$8,626
 Greater than [~~\$7,500~~] \$8,626

The tax is:

2.3% of the state taxable income
~~[\$35]~~ \$40, plus 3.3% of state taxable
 income greater than [~~\$1,500~~] \$1,726
~~[\$84]~~ \$97, plus 4.2% of state taxable
 income greater than [~~\$3,000~~] \$3,450
~~[\$147]~~ \$169, plus 5.2% of state
 taxable income greater than
~~[\$4,500]~~ \$5,176
~~[\$225]~~ \$259, plus 6% of state taxable
 income greater than [~~\$6,000~~] \$6,900
~~[\$315]~~ \$362, plus 7% of state taxable
 income greater than [~~\$7,500~~] \$8,626

Section 2. Retrospective operation.

This act has retrospective operation for taxable years beginning on or after January 1, 2001.